

**ESTIMATED REVENUE EFFECTS OF A MODIFIED CHAIRMAN'S MARK RELATING TO EXPIRING TAX PROVISIONS
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON OCTOBER 20, 1999**

Fiscal Years 2000 - 2009

[Millions of Dollars]

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
Extension of Expiring Provisions Through 12/31/00													
1. Treatment of nonrefundable personal credits under the alternative individual minimum tax	tybi 1999 & 2000	-972	-742	---	---	---	---	---	---	---	---	-1,714	-1,714
2. Employer provided educational assistance for graduate and undergraduate courses	[1]	-254	-137	---	---	---	---	---	---	---	---	-391	-391
3. Research tax credit, and increase AIC rates by 1 percentage point; expand to Puerto Rico	[2]	-1,659	-942	-445	-322	-185	-43	---	---	---	---	-3,551	-3,594
4. Exception from subpart F for active financing income	tybi 2000	-187	-579	---	---	---	---	---	---	---	---	-766	-766
5. Suspension of 100% net income limitation for marginal properties	tyba 12/31/99	-23	-12	---	---	---	---	---	---	---	---	-35	-35
6. Work opportunity tax credit	wpoifibwa 6/30/99	-229	-217	-121	-48	-17	-3	---	---	---	---	-632	-635
7. Welfare-to-work tax credit	wpoifibwa 6/30/99	-49	-56	-37	-16	-6	-1	[3]	---	---	---	-163	-165
8. Extend tax credit for electricity produced from wind and closed-loop biomass facilities and modify to include electricity produced from poultry waste and operators of such government owned facilities, landfill gas used to produce electricity, and non-closed-loop biomass (including production from such biomass at coal cofiring facilities)	[4]	-33	-44	-46	-47	-48	-49	-50	-51	-53	-53	-215	-473
9. Brownfields environmental remediation; expand to all of the United States	eia 12/31/99	-19	-19	-5	[3]	[5]	1	2	2	3	5	-42	-29
10. Increase amount of rum excise tax that is covered over to Puerto Rico and the U.S. Virgin Islands (from \$10.50 per proof gallon to \$13.50 per proof gallon) and transfer 50 cents to Puerto Rico Conservation Trust [6]	[7]	-83	-16	---	---	---	---	---	---	---	---	-99	-99
11. Delay the requirement that registered motor fuels terminals offer dyed kerosene as a condition of registration	DOE	----- Negligible Revenue Effect -----											
12. Extend section 29 placed-in-service date (for 8 months) [8]	DOE	---	---	---	---	---	-438	-74	-75	-27	---	---	-613
Total of Extension of Expiring Provisions Through 12/31/00		-3,508	-2,764	-654	-433	-256	-533	-122	-124	-77	-48	-7,608	-8,514
Revenue Offset Provisions													
1. Modify individual estimated tax safe harbor to 110.5% for tax year 2000, and 112% for tax year 2004	tyba 12/31/99	2,700	-2,700	---	---	1,200	-1,200	---	---	---	---	1,200	---

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
2. Modify Foreign Tax Credit Carryover Rules - 1-year carryback of foreign tax credits and 7-year carryforward	tyba 12/31/99	87	562	502	468	437	406	279	263	259	257	2,056	3,520
3. Clarify the tax treatment of income and losses from derivatives	DOE	[5]	1	1	1	1	1	1	1	1	1	4	9
4. Add the Streptococcus Pneumoniae vaccine to the list of taxable vaccines in the Federal vaccine insurance program; study of program	[9]	4	7	9	10	10	10	10	10	10	11	39	91
5. Information reporting on cancellation of indebtedness by non-bank financial institutions	coia 12/31/99	---	7	7	7	7	7	7	7	7	7	28	63
6. Impose limitation on pre-funding of certain employee benefits	cpoa 6/9/99	115	141	147	149	140	129	118	105	90	74	693	1,209
7. Increase to 15% (from 10%) optional withholding rate for nonperiodic payments from deferred compensation plans	dma 12/31/00	---	52	1	1	1	1	1	1	1	1	55	59
8. Prevent the conversion of ordinary income or short-term capital gains into income eligible for long-term capital gain rates	teio/a 7/12/99	15	45	47	49	51	54	58	62	66	70	207	517
9. Allow employers to transfer excess defined benefit plan assets to a special account for health benefits of retirees (through 9/30/09)	tmi tyba 12/31/00	---	19	38	39	40	41	42	42	43	44	136	348
10. Repeal installment method for most accrual basis taxpayers; adjust pledge rules	iso/a DOE	477	677	406	257	72	8	21	35	48	62	1,889	2,063
11. Limit use of non-accrual experience method of accounting to amounts to be received for the performance of qualified professional services	tyea DOE	77	60	33	28	10	12	14	16	18	20	208	288
12. Deny deduction and impose excise tax with respect to charitable split-dollar life insurance arrangements	[10]	----- Negligible Revenue Effect -----											
13. Prevent duplication of loss through assumption of certain liabilities	aolo/a 10/19/99	[5]	7	8	10	11	12	14	15	16	17	36	110
14. Require consistent treatment and provide basis allocation rules for transfers of intangibles in certain nonrecognition transactions	to/a DOE	25	26	28	29	30	32	34	35	37	39	138	315
15. Distributions by a partnership to a corporate partner of stock in another corporation	[11]	4	9	10	10	9	9	9	9	9	8	42	86
16. Prohibited allocation of stock in an ESOP of a subchapter S corporation	[12]	2	4	5	6	8	8	9	10	10	10	26	74
17. Real Estate Investment Trust (REIT) Provisions													
a. Impose 10% vote or value test	tyba 12/31/00	---	2	8	8	8	9	9	9	10	10	26	73
b. Treatment of income and services provided by taxable REIT subsidiaries, with 20% asset limitation	tyba 12/31/00	---	50	131	44	19	-9	-39	-72	-107	-146	244	-129
c. Personal property treatment for determining rents from real property for REITs	tyba 12/31/00	---	-1	-1	-1	-1	-1	-1	-1	-1	-1	-3	-7
d. Special foreclosure rule for health care REITs	tyba 12/31/00	----- Negligible Revenue Effect -----											
e. Conformity with RIC 90% distribution rules	tyba 12/31/00	---	1	1	1	1	1	1	1	1	1	3	5
f. Clarification of definition of independent operators for REITs	tyba 12/31/00	----- Negligible Revenue Effect -----											
g. Modification of earnings and profits rules	da 12/31/00	---	-6	-3	-3	-3	-4	-4	-4	-4	-4	-16	-35

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000-04	2000-09
h. Modify estimated tax rules for closely-owned REIT dividends	epdo/a 9/15/99	40	1	1	1	1	1	1	1	1	1	45	52
i. Modify treatment of closely-held REITs, with incubator REIT exception; grandfather REIT transaction in progress	tyea 7/14/99	2	5	5	5	6	6	6	6	7	7	23	55
Subtotal of Revenue Offset Provisions		3,548	-1,031	1,384	1,119	2,058	-467	590	551	522	489	7,079	8,766
TOTAL		40	-3,795	730	686	1,802	-1,000	468	427	445	441	-529	252

Application of PAYGO Surplus From Previously Enacted Legislation

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NET TOTAL		40	-3,266	730	686	1,802	-1,000	468	427	445	441	---	252
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Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

aolo/a = assumption of liabilities on or after
 eia = expenses incurred after
 coia = cancellation of indebtedness after
 cpoaa = contributions paid or accrued after
 da = distributions after
 dma = distributions made after
 DOE = date of enactment
 epdo/a = estimated payments due on or after
 iso/a = installment sales on or after

teio/a = transactions entered into on or after
 to/a = transactions on or after
 tmi = transfers made in
 tyba = taxable years beginning after
 tyea = taxable years ending after
 tybi = taxable years beginning in
 wpoifibwa = wages paid or incurred for individuals beginning work after

- [1] Effective for graduate courses beginning after 12/31/99 and undergraduate courses beginning after 5/31/00.
- [2] Extension of credit effective for expenditures paid or incurred beginning after 6/30/99; increase in AIC rates effective for taxable years beginning after 6/30/99; expansion of the credit to include U.S. possessions effective for expenditures paid or incurred beginning after 6/30/99.
- [3] Loss of less than \$500,000.
- [4] For wind and closed-loop biomass, provision applies to production from facilities placed in service after 6/30/99 and before 1/1/01; for poultry waste, landfill gas, and non-closed loop biomass, provision applies to production from facilities placed in service after 12/31/99 and before 1/1/01.
- [5] Gain of less than \$500,000.
- [6] Estimate provided by the Congressional Budget Office.
- [7] Effective for rum imported into the United States after 6/30/99.
- [8] Binding contract date of 1/1/97 and production deadline of 1/1/08 assumed to be unchanged. Credit cannot be claimed until after 9/30/04.
- [9] Effective for vaccine sales the date after the date on which the Centers for Disease Control make final recommendation for routine administration of conjugate Streptococcus Pneumoniae vaccines to children.
- [10] Effective for transfers made after 2/8/99 and for premiums paid after the date of enactment.
- [11] Effective 7/14/99 (except with respect to partnerships in existence on 7/14/99, the provision is effective on the date of enactment).
- [12] Generally effective with respect to years beginning after December 31, 2000. In the case of an ESOP established after July 14, 1999, or an ESOP established on or before such date if the employer maintaining the plan was not an S corporation on such date, the proposal would be effective with respect to plan years ending after July 14, 1999.